

**Administrative Support Services
DE-RP05-00OR22825
Questions 121 - 129**

- 121. Will the winning contractor have a “phase in” period to train its employees and initiate service to the DOE? How long will the phase in period be?**

It may be possible that enough time will be available so that the key personnel of the successful offeror have no more than a two week opportunity to phase in prior to June 1, 2000. Otherwise, the successful offeror will be expected to do their homework and be ready to begin work on June 1, 2000.

- 122. H.10, ORO 57 Human Resources Considerations (Pg. 27) and L.11 ORO L-2A Human Resources Considerations (Pg. 99), states that “The contractor shall provide substantially equivalent pay and benefits in aggregate based on its company policy.” What if the company policy of an offeror is to only bid the wages and fringe benefits required in the applicable Wage Determination for employees covered by the Service Contract Act (SCA). For example, the Wage Determination requires, as a minimum, that a contractor pay a General Clerk II, \$7.00 per hour; \$1.63 an hour for health & welfare benefits; two weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 5 years; 4 weeks after 15 years; and a minimum of ten paid holidays per year. However, Section L, Attachment 4, Labor Categories and Current Actual Base Pay Salary Ranges for Non-Key Personnel, indicates that a General Clerk II average hourly rate is \$9.59 per hour and Section L, Attachment 7, Summary of Current Benefits Recognized by DOE, indicates that the health & welfare benefits currently being provided appear to far exceed the \$1.63 per hour for health & welfare benefits. Based on the foregoing, we assume that DOE is recommending that offerors not bid the minimum wages for the SCA classifications nor provide only those fringe benefits required in the Wage Determination. Is our assumption correct? However, if our assumption is incorrect, how will DOE evaluate substantially equivalent pay and benefits in aggregate in accordance with M.3 ORO M05 Evaluation Criteria, Criterion 2, Management Approach, Page 125, if someone only bid the minimum requirements for pay and benefits outlined in the Wage Determination?**

It is the responsibility and decision of the offeror to determine accurate compensation and benefits for its workforce that is in compliance with the established minimum amounts defined in the Service Contract Act and to assure some continuity of benefits for the transitioned workforce. However, the Statement of Work states that the contractor must provide fully trained, knowledgeable, and skilled personnel which may lead to obtaining incumbent employees above the current wage determination rate in order to deliver satisfactory performance results.

123. **H.12 ORO H63 Insurance (Pg. 28) (c), “All insurance required by this paragraph shall be in a form and amount and for those periods as the Contracting Officer may require or approve and with insurers approved by the Contracting Officer”. Does DOE intend to have the Contracting Officer approve the insurance carriers that a contractor will use to provide the type of insurance outlined in this section?**

No. Paragraph (c) will be deleted from the solicitation.

124. **I.11, 52.222-43 Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts) (Pg. 44) and Section L, Exhibit A, Calculation of Loaded Direct Labor (Pg. 123), “*The Contractor warrants that the prices in this contract do not include any allowances for any contingency to cover increased costs for which adjustment is provided under this clause.*” Does this mean that only non-Service Contract Act positions can be escalated as shown on Exhibit A and the Service Contract Act positions cannot be escalated because of Clause I.11?**

No.

125. **L.3, 52.215-20 Requirement for Cost or Pricing Data or Information Other than Cost or Pricing Data (Pg. 96), (b) (2) Price Information, states that “A specific format is mandated for the Section B, Price Schedules and Exhibit A. The offeror may determine the format for submission of all other information.” It appears that DOE is not requiring offerors to provide any backup to the indirect rates (fringe benefits, overhead, and G&A) shown on Exhibit A. If this is a correct assumption, how will DOE evaluate cost proposal for “*probable cost to the Government*” and conduct a price analysis as stated in the Evaluation Criteria [M.3(c)]? Also, according to Exhibit A, Calculation of Loaded Hourly Labor Rates, “A profit factor is only allowed to be applied to the hourly rate.” Is the “hourly rate” referred to in this clause mean only the direct labor or the burdened loaded rate? Does this statement just exclude profit on ODCs and travel?**

DOE is not requiring backup to the indirect rates. In conjunction with proposed prices, probable cost to the Government can be evaluated with proposed management approaches to accomplishing the work. Hourly rate refers to burdened loaded rates. This excludes profit on ODCs and travel.

126. **L.11, ORO L-2A Human Resource Considerations (Pg. 44), “*Upon submission of an Intent to Propose, the Department of Energy will provide contact information on current employees to potential . . . the contact information will also contain service computation dates in order for the offer to better estimate the indirect cost of vacation benefits.*” With the information provided on the “Current Employees Performing Work for EASI on Contract DE-AC05-95OR22200 list, offerors will be able to determine the fringe benefit cost for vacation (2, 3, or 4 weeks). However, Clause L.3(b)(2) Exhibit A states “*Direct labor shall be proposed in accordance with the labor categories specified on the Price Schedules in Section B. Modification of the hours or the mix is***

not permitted. Direct labor shall be proposed on the basis of direct productive labor hours worked, exclusive of nonproductive labor hours such as vacation, sick leave and other advances.” Section B, Price Schedule uses DPLH of 1,920. If an employee is entitled to three (3) weeks vacation, ten (10) holidays, and 40 hours personal/sick leave (per EASI policy), the DPLH will be significantly less than 1,920 hours (DPLH of 1,840). If offerors must propose 1,920 DPLH per FTE, then the Direct Labor Dollars (which forms the base for the fringe rate) will be overstated for employees that have more than two weeks vacation and the fringe costs will be higher by accounting for the actual vacation required. This will give the successful offeror an erroneous fringe benefit rate (lower than what he will actually experience) with no way to be reimbursed for those costs since the indirect rates are fixed for the term of the contract. Will DOE consider modifying the DPLH on Section B, Price Schedule to reflect the anticipated productive hours due to higher required vacation (3 weeks) that affects approximately 75% of the incumbent employees? If not, could DOE recommend a way for offerors to propose a correct fringe rate knowing that the proposed DPLH and Direct Labor Dollars are too high and will not be fully reimbursed? Or, would DOE consider negotiating revised rates after hiring of incumbents are finalized?

Since incumbent employees may or may not be hired by the successful offeror, we have no precise way to derive the exact quantity of hours for all labor categories. In addition, it is possible that the contractor will not be tasked for all activities in the Statement of Work nor utilize all the positions listed in the Price Schedules even though the Government is attempting to present the most accurate depiction possible of its anticipated needs. Therefore, the hours are estimated for evaluation purposes. No, DOE will not consider negotiating revised rates at a later date since this is a competitive solicitation.

127. What specific Skill Tests are required?

The intent of this question is not clear; however, the company must determine and implement any skills tests necessary for the positions.

128. Please clarify the 401(k) vesting and matching. Is matching actually done within the first year or after some period such as completing 1000 hours and be onboard by some cutoff date, i.e. December 31? How many investment products may the employee select from Great West? How often can they change their investment election with Great West? How often can they change their contribution amount, i.e. annually, quarterly, etc.?

The EASI provisions for 401(k) are that an employee is eligible for participation within 30 days of hire or the first day of any calendar quarter; the employee is 100% vested upon entering the plan; and matching funds are calculated at 100% of the first 3% of annual salary contributed and 50% of the next 2% of annual salary contributed. EASI has at least 37 investment options. An employee can change investment options on a quarterly basis. An employee can discontinue their participation in the 401(k) plan at any time. However, the

employee can only make increases or decreases to their contribution amounts during open enrollment which is quarterly. An employee can change investment options either via the Internet or telephone as many times as they desire during the year. An employee can only enroll in the 401(k) plan during open enrollment which is on a quarterly basis or during their first 30 days of employment with EASI.

- 129. The RFP indicates that the successful contractor for Administrative Support Services Contract will assist in reviewing and processing security questionnaires for DOE-ORO in accordance with DOE O472.1B (Personnel Security Activities). Potential exists for a conflict of interest by a subcontractor(s), who performs security-related work on both the Protective Services contract and the Administrative Support Services Contract. Please clarify how DOE-ORO intends to prevent a conflict of interest where a contractor(s) is allowed to perform the initial review and processing of personnel security requests on the Protective Services contract and then to review the same requests on DOE-ORO's Administrative Support Services Contract.**

The administrative support services contractor would assist DOE in performing an initial review and processing of security requests for its own employees, DOE employees, and some DOE prime contractors, and would not overlap with work performed under the protective services contract. DOE would work with the successful offeror to mitigate any conflicts of interest if and when they arise.